

Chapter Accy 6

PEER REVIEW

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Subchapter I – Authority and Definitions

Accy 6.001 Authority. The rules in this chapter are adopted pursuant to the authority in ss. 15.08 (5) (b), 227.11 (2) and 442.087 (3), Stats.

History: 2015 Wis. Act 217; cr. Register May 2016 No. 725, eff. 6–1–16.

Accy 6.002 Definitions. As used in this chapter:

(1) “Engagement review” means a peer review in which the peer reviewer evaluates and reports on engagements submitted by a firm that performs at its highest level of service, only services under SSARS, or services under the SSAE that are not included in a system review in order for the peer reviewer to determine whether the engagements submitted for review conform to applicable professional standards in all material respects.

(2) “PCAOB” means the Public Company Accounting Oversight Board that conducts firm inspection of certified public accounting firms’ Securities and Exchange Commission issuer practices and other engagements subject to its inspection process.

(3) “Peer review” means a study, appraisal, or review of one or more aspects of the attest services work of a licensee of a registered firm in the practice of public accounting, in accordance with a peer-review program, by a person or persons who hold licenses in this jurisdiction or another jurisdiction and who are not affiliated with the person or firm being reviewed.

(4) (a) “Peer-review program” means the peer-review process developed and maintained by the American Institute of Certified Professional Accountants and administered by any of the following:

1. The Wisconsin Institute of Certified Professional Accountants.

2. A peer-review program administrator approved by a board that regulates certified public accountants in any other CPA licensing jurisdiction.

(b) “Peer-review program” includes the standards for administering, performing, and reporting on peer reviews, oversight procedures, and training and related guidance materials.

Note: The AICPA Standards for Performing and Reporting on Peer Reviews are available on the Internet at <http://www.aicpa.org/Research/Standards/PeerReview/DownloadableDocuments/PeerReviewStandards.pdf>.

(5) “Peer-review reports” means reports issued by the peer reviewer or peer-reviewing firm in accordance with a peer-review program and that program’s peer-review standards.

(6) “Peer-review standards” means professional standards for administering, performing, and reporting on peer reviews under a peer-review program.

(7) “Peer reviewer” means a certified public accountant or accounting firm responsible for conducting the peer review holding a valid and active license to practice public accounting in good standing issued by this jurisdiction or another jurisdiction who meets the peer reviewer requirements established in the peer-review standards.

(8) “SAS” means the Statements on Auditing Standards issued by the auditing standards board of the American Institute of Certified Public Accountants.

(9) “SSAE” means the Statements on Standards for Attestation Engagements issued by the auditing standards board of the American Institute of Certified Public Accountants.

(10) “SSARS” means the Statements on Standards for Accounting and Review Services issued by the accounting and review services committee of the American Institute of Certified Public Accountants.

(11) “System review” means a peer review in which the peer reviewer determines whether the firm’s system of quality control for its accounting and auditing practice is designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards, including the Statements on Quality Control Standards, No. 8 of the American Institute of Certified Public Accountants, in all material respects for firms that at the firm’s highest level of service, perform engagements under the SAS, Government Auditing Standards, examinations under the SSAE, or pursuant to the standards of the PCAOB not subject to permanent inspection by the PCAOB.

History: 2015 Wis. Act 217; cr. Register May 2016 No. 725, eff. 6–1–16.

Subchapter II – Firm Renewal

Accy 6.101 Requirement for firm license renewal.

(1) An application for renewal by a certified public accounting firm that provides or offers to provide attest services shall include a description of at least one peer review of the firm undergone within 3 years preceding the application for renewal. The description shall identify the peer review program administrator, if administered by a peer-review program administrator approved by a board that regulates certified public accountants in any other CPA licensing jurisdiction, the outcome of the review, and the year under review.

(2) A firm is exempt from the peer review requirements in this section if it does not offer or perform attest services.

(3) A firm that has not offered or performed an attest service within the 3-year period preceding application for renewal shall notify the department at the time of renewal that it is exempt from the peer review requirements of this section because it has not offered or performed an attest service within the 3-year period. If a firm that has claimed the exemption in this section subsequently performs an attest service, it shall notify the board by letter that it is no longer exempt from the peer review requirement within 30 days after accepting the engagement for the attest service and that it agrees to undergo a peer review within 18 months after accepting the engagement.

Note: The following questions are intended to assist firms in determining whether a peer review is required for renewal. An affirmative response to any part of any question means that a peer review is required. Caution: This list is not exclusive. Refer to the standards if in doubt.

1. Does your firm audit SEC clients, including employer-sponsored plans required to file a form 11-K with the SEC?
2. Does your firm currently perform the following types of engagements?
 - Engagements applying Statements on Auditing Standards (SASs) – Audits?
 - Agreed-upon procedures?
 - Engagements applying Statements on Standards for Accounting and Review Services (SSARS)?
 - Reviews of financial statements?

- Compilations of financial statements with disclosures?
- Compilations of financial statements where “Selected Information—Substantially All Disclosures Required Are Not Included?”
- Compilations of financial statements that omit substantially all disclosures?
- Engagements applying Statements on Standards for Attestation Engagements (SSAE)?
- Engagements applying International Financial Reporting Standards (IFRS) or International Auditing Standards (IAS)?
- Examinations of prospective financial statements under SAARS?
- Compilations of prospective financial statements under SAARS?
- Agreed-upon procedures of prospective financial statements?
- Examinations of written assertions?
- Reviews of written assertions?
- Agreed-upon procedures of written assertions?
- Engagements under Government Auditing Standards (Yellow Book)?
- Engagements applying PCAOB Auditing Standards?
- Engagements applying PCAOB Attestation Standards?
- Work performed as subject to requirements of the AICPA peer-review program?

History: CR 02–119: cr. Register July 2003 No. 571, eff. 8–1–03; **2015 Wis. Act 217:** renum. from Accy 9.02 and am. (1), (2) Register May 2016 No. 725, eff. 6–1–16.

Subchapter III – Reports

Accy 6.201 Report from peer-review program. The peer-review program described under s. Accy 6.002 (4) (a) 1. shall report the following to the board by December 1 of each even-numbered year:

(1) A list of the names, addresses and license numbers of all firms that have undergone peer review within the preceding 36 months.

(2) An evaluation of the effectiveness of the peer reviews.

History: CR 02–119: cr. Register July 2003 No. 571, eff. 8–1–03; **2015 Wis. Act 217:** renum. from Accy 9.03 and am. (title), (intro.) Register May 2016 No. 725, eff. 6–1–16.

Subchapter IV – Conducting Peer Reviews

Accy 6.303 Extensions. The organization administering the peer-review program may grant extensions for completing peer reviews as long as the organization is notified by the firm within 14 days prior to the due date of the peer review. Extensions may be granted for any of the following reasons:

(1) An adverse health condition, including an illness or injury.

(2) Military service.

(3) Other good cause clearly outside of the control of the public accounting firm.

History: 2015 Wis. Act 217: cr. Register May 2016 No. 725, eff. 6–1–16.

Accy 6.304 Firm structure changes. In the event a firm is merged, otherwise combined, dissolved, or separated, the organization administering the peer review shall determine which firm, if any, is considered to be the succeeding firm. The succeeding firm shall retain its peer review status and the review due date.

History: 2015 Wis. Act 217: cr. Register May 2016 No. 725, eff. 6–1–16.